FOR MYSORE STATE

Food and Agriculture (1950) Department

Ms. SERIES

G.O. No. 652 (Food and Agriculture)

Dated 5th April 50

[Despatch Abstract.]

Procurement and distribution of Foodgrains - Conference of Representatives of Cooperative stores etc — Resolutions - orders passed

FOOD AND AGRICULTURE DEPARTMENT.

ABSTRACT:

PROCUREMENT - and Distribution - Food Grains - Conference of representatives of Cooperative Stores etc - Resolutions - Orders - Passed.

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PREVENT BLACKMARKETING BY SUCH OF THE PRIVATE PROCURING AGENTS AS HULL THEIR PADDY IN THE MILLS SITUATED IN THE AREAS WHERE SOCIETIES ARE ENTRUSTED WITH MONOPOLY PROCUREMENT.

The Registrar of Cooperative Societies has endorsed this suggestion. The Board of Revenue (Civil Supplies.) reports that steps are taken as far as possible to prevent blackmarketing and that deterrent action will be taken against the agents and mills concerned, if the societies bring to notice specific cases of blackmarketing. The Government agree with the Board's view.

Subject 2. WHERE COOPERATIVE WHOLESALE STORES ARE ENTRUSTED WITH THE PROCUREMENT WORK, THE WHOLESALE DISTRIBUTION OF IMPORTED STOCKS SHOULD ALSO BE GIVEN TO THEM

The Registrar of Cooperative Societies has commended the suggestion for acceptance. The Board of Revenue (Civil Supplies) reports that there is already provision in the G.O. 791, Food dated 19-9-46 that the same agency whether it be cooperative stores or societies or selected dealers, should be entrusted with distribution of imported quotas also. The Board is therefore requested to draw the attention of the Collectors to this Order.

Subject 3.

IN THE INTERESTS OF BOTH THE FINANCING BANKS AS WELL AS COOPERATIVE WHOLESALE STORES, THE INSTRUCTIONS IS BY THE REGISTRAR OF COOPERATIVE SOCIETIES IN HIS MEMO No. 7523/49 dated 11-11-1949 regarding the release of stc within 3 months should be followed strictly and that the C ollectors should be requested to arrange for the releas of the procured stocks within the period stipulated ther

The Board considers it impracticable to follow the suggestion. The question whether the 3 months restriction should be relaxed or not is under consideration of the Government and orders will issue separately.

Subject 10. IT IS DESIRABLE THAT PROCURING AGENTS SHOULD BE ABSOLVED OF THE RESPONSIBILITY FOR THE DETERIORATION OF STOCKS ON ACCOUNT OF LONG STORAGE. THE STORES SHOULD BE INDENIFIED AGAINST SUCH LOSSES.

The Registrar of Cooperative Societies recommends that it will not be proper if the societies are made to bear losses in this behalf, for which they are in no way responsible. The Board of Revenue (Civil Supplies) is of the view that the procuring agents cannot be absolved of their responsibility for the proper custody and storage of the foodgrains procured by them, that in the case of stocks held in storage for over 3 months, interest has been allowed in the case of some districts in which the stocks of rice and millets were kept in storage for over 3 months under Collector's orders and that a general sanction absolving all responsibility for deterioration of stocks consequent on the long storage cannot be given, as the causes for deterioration will be difficult to establish. The Government agree with the Board's views.

Subjects 12 and 13.

NEED FOR MAKING SUITABLE ARRANGEMENTS FOR FINANCING PROCURING SCHEMES.

The Government consider that no action is called for in view of the accommodation made to the Madras Provincial Cooperative Bank to the extent of Rs. 4.90 crores for financing procurement operations by the Cooperative Societies in the districts. The Cooperative societies should take timely steps to get the necessary loans from the Madras Provincial Cooperative Bank through the District Banks concerned.

Subject 17.

THE CLAUSE IN THE FORM OF AGREEMENT TO BE EXECUTED

BY THE WHOLESALERS ENTRUSTED WITH DISTRIBUTION OF IMPORTED FOODGRAINS WHICH STATES THAT THE GOVERNMENT DO NOT HOLD THEMSELVES RESPONSIBLE FOR ANY LOSS THAT MAY ARISE IN THE DISPOSAL OF THE STOCKS SHOULD BE DELETED.

The Registrar of Cooperative Societies, has supported the request. In G.O. 878, Food dated 1-10-1948, the form of agreement to be entered into with the agents holding stocks on behalf of the Government was standardised. There are clauses in the form, specifying for what kind of lossessx the agents holding stocks will be liable. In addition to these clauses, the general clause in question was included in the form of agreement under the orders contained in Government memo. 26508 B/48-3 Food dated 23-11-1948 as x a preaaution against unreasonable claims for reimbursement of alleged losses. Instructions have been issued to the collectors in the Board's Rt. 2085/48 (CS) Dated 6-12-1948 that this general condition may be inserted in the agreem to be executed by the storage agents, if it is considered appropriate. In view of this and in view of the fact that the existence of the plause does not preclude consideration of any case on merits, the Government do not conider it necessary to dispense with the clause altogether.

Subject 18.

THE NEED FOR TAGGING ON PRIMARIES ONLY TO THE COOPERATIVE WHOLESALE STORES AS FAR AS POSSIBLE FOR SUPPLIES OF FOOD GRAINS, AND OTHER ARTICLES.

The Registrar recommends the resolution and request that suitable instructions may be issued to the Collectors in this Regard. The Board suggests that the need-of-tagging-primaries to wholesale stores may be ordered to be kept in view as far as possible to do so, but if the retail shop is far awamy from the wholesale stores, and if there is a private wholesaler nearby, the primary society will be allotted only to the private wholesaler and that such a course is necessary in the interests of the consumer, as it will not be reasonable to mulct him by adding to his price any avoidable transport charge. The Government accept the Board's suggestion. The Board is requested to issue necessary instruction accordingly.

Subject. 22:

THE APPEAL PERIOD OF 10 DAYS IN RESPECT OF CUTS IMPOSED BY THE D.S.O. FOR THE DEFECTS IN THE QUALITY OF RICE IS TOO SHORT AND THAT IT MAY BE EXTENDED TO 30 DAYS.

The Registrar of Cooperative Societies has supported the request. The Board has stated that the request appears to be based on the belief that the time limit of ten days fixed for demand for reanalysis of loaded samples of supplier applies to appeals against cut orders but that there is no time limit fixed for such appeals, though they would become barred after 3 years by limitation. It suggests that the society may cause the second sample analysed, if it has any reason to suspect the correctness of the analysis of the original sample within 10 days prescribed and there is no need for the extension of the time but that the suppliers may appeal to the Board even after the expiry of the 10 days time limit referred to above. In the circumstances stated by the Board the Government agree with its views and direct that necessary instructions may be issued accordingly.

Subject 23.

TheCOOPERATIVE SOCIETIES SHOULD BE EXEMPTED FROM MADRAS SHOPS AND ESTABLISHMENT ACT, IN VIEW OF THE IMPORTANT WORK UNDERTAKEN BY THEM AND ALSO IN VIEW OF THE FACT THAT THEY ARE REGULATED BY RATIONING RULES.

Order in this regard will issue separately in the Development Department.

Subject 24.

NECESSARY GODOWN FACILITIES SHOULD BE PROVIDED TO THE SOCIETIES BY THE GOVERNMENT WHEREVER NECESSARY HAVING RECOURSE TO THE PROVISIONS OF THE HOUSE RENT CONTROL ORDER.

Order on this point also will issue separately.

PART II

Subject 6

IMPORT AND DISTRIBUTION OF FOOD GRAINS BY COOPERATIVES.

THE DESIRABILITY OF FIXING THE CONTENTS OF A BAG ON AN UNIFORM BASIS PREFERABLY BY WEIGHT INSTEAD OF BY VOLUME, RIGHT THROUGH FROM THE PRODUCERTO THE CONSUMER INSTEAD OF THE PRESENT SYSTEM UNDER WHICH THE WHOLESALER GETS THE BAGS BY WEIGHT AND THE CONTENTS ARE LEASED, TO THE CONSUMER BY VOLUME.

So far as deliveries by the producers to the procuring agents are concerned, the Government have ordered that the existing practice to give by weight or by measure might continue. Issues by the wholesalers to retailers are by weight. As regards issues to consumers by retailers, the Government have ordered issue by weight as an experimental measure in the branches of the T.U.C.S. in the city. If this scheme is successful, it will be extended to other areas also.

Subject 8.

IN VIEW OF THE DELAY IN TAKING ACTION BY CIVIL SUPPLIES AUTHORITIES FOR DISPOSAL OF DETERIORATED FOOD GRAINS AND CONSEQUENT LOSS TO THE SOCIETIES, IT IS SUGGESTED THAT THE DETERIORATED FOODGRAINS MAY BE SOLD IN

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THE OPEN MARKET AND THE RESULTING LOSS BORNE BY GOVERNMENT AS A COROLLARY TO FOOD ADMINISTRATION.

The Registrar of Cooperative Societies recommends the resolution on the ground that Cooperative Stores are business institutions which work on slender margins and that they cannot bear losses of the kind. The Board states that this resolution has been tabled on the ground that prompt action was not taken by the authorities concerned in the disposal of the deteriorated stocks of foodgrains, that this cannot be accepted as a general rule, as it will be against the policy relating to procurement and rationing and that individual cases of hardships, if brought tonnotice, can, however, be considered on merits. The Government agree with the Board's view.

Subject 9.

THE NEDD FOR MAKING GOOD THE LOSS SUSTAINED BY THE STORES IN RESPECT OF IMPORTED FOODGRAINS CONSEQUENT ON DECONTROL.

The Registrar of Cooperative Societies has stated that the loss sustained by the societies in respect of imported foodgrains should be made good irrespective of their general financial position. The Government do not consider it necessary to issue any general order on this question. The claims, if any receive will be considered on the merits of the case and remedy granted if need be.

SUBJECT10.

RESERVE STOCK OF FOODGRAINS MAY BE DELIVERED TO COOPERATIVE INSTITUTIONS IN AN AGENC Y BASIS AND WITHOUT PREPAYMENT OF THE COST.

The procedure is already permitted in Board's reference 63346 A2/43-1 dated 11-5-43. The Government, therefore, consider that no action is called for in the matte

Subject 12.

PROPOSAL THAT COOPERATIVE SOCIETIES WHICH ARE ENTRUSTED WITH RETAIL DISTRIBUTION, IN ADDITION TO THE WHOLESALE

TO WHOLESALE DISTRIBUTION SHOULD BE ALLOWED THE USUAL MARGIN OF PROFIT ALLOWED FOR RETAIL BUSINESS ALSO IRRESPECTIVE OF THE FACT THAT THE SOCIETIES ARE WHOLESALERS AS WELL AS RETAILERS.

The Government agree with the Boards of Revenue (C.S.) that the margins of profit due to wholesaler as well as retailer may be allowed and that the procedure suggested respect of procurment cum retailer in the case of Tinnevelly district in Board's reference No. 33415J.II/49-3 dated 15-10-1949 may be adopted. The attention of the Board is invited to this Government memo. No. 47456/A/49-4 F & A dated 17-3-1950 in which the Board's suggestion referred to above has been approved. The Board is requested to issue necessary instructions accordingly.

(BY ORDER OF HIS EXCELLENCY THE GOVERNOR)

N. Murugesa Mudaliar,
Deputy Secretary to Government.

To

The Registrar of Cooperative Societies,

The Board of Revenue (.C.S.)

The Development Department.

copy to H. Section (with relevant extracts of ... re: subject 3 under part I' for further action.

copy to D Section.

Copy to C section.

Copy to A.S.III

/ t r u e c o p y/

Superintendent.

v.n.m. 2/7/

Compared R. Rohollamani Ammal. 15/7.

N. Raghavan.